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ANNUAL AUDITED REPORT Section

FORM X-17A-5

FEB 25 2013

PART III

Washington DC

400

SEC FILE NUMBER
8- 68195

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2012 AND ENDING 12/31/2012  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Park Sutton Securities, LLC

OFFICIAL USE ONLY

FIRM I.D.  
NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

295 Madison Avenue, 12<sup>th</sup> Floor

(No. and Street)

New York

NY

10017

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Steven M. Levitt

646-727-4826

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Knight Roller Sheppard, CPAS, LLP

(Name - if individual, state last, first, middle name)

1499 Post Road, PO Box 139

Fairfield

CT

06824

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

Potential persons who are to respond to the  
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SEC 1410 (06-02)

CA  
2/26/13

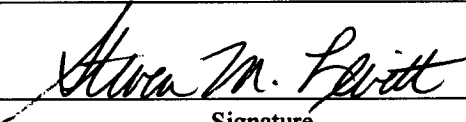
## OATH OR AFFIRMATION

I, Steven M. Levitt, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Park Sutton Securities, LLC, as of December 31, 20 12, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

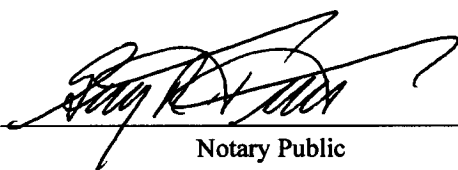
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\_\_\_\_\_

  
Signature

Managing Member

Title

  
Notary Public  
Notary Public, State of New York  
No. 01TU4722052  
Qualified in New York County  
Commission Expires June 30, 2014

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

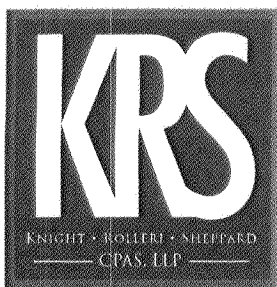
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Washington DC  
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**Park Sutton Securities, LLC**  
**Report Pursuant to Rule 17a-5 of**  
**The Securities and Exchange Commission**  
**December 31, 2012**





Knight • Rolleri • Sheppard, CPAS, LLP  
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Suite 1040  
Fairfield, CT 06824  
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[www.krscpasllp.com](http://www.krscpasllp.com)

Michael J. Knight, CPA, CVA, CFE, ABV  
John M. Rolleri, CPA, CFE  
Ryan C. Sheppard, CPA, CFF

## **REPORT OF INDEPENDENT AUDITOR**

To the Member of  
Park Sutton Securities, LLC

We have audited the accompanying statements of financial condition of Park Sutton Securities, LLC (a Partnership") as of December 31, 2012 and 2011 and the related statements of income and changes in member's equity and cash flows for the years then ended that are filed pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Sutton Securities, LLC as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedule I and II is presented for purposes of additional analysis and not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule I and II has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule I and II is fairly stated in all material respects in relation to the financial statements as a whole.

***Knight Rolleri Sheppard CPAS LLP***

Knight Rolleri Sheppard CPAS LLP  
Fairfield, Connecticut  
February 12, 2013

**Park Sutton Securities, LLC**  
**Statements of Financial Condition**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b><u>Assets</u></b>		
<b>Current assets</b>		
Cash and equivalents	\$ 1,024,499	\$ 347,510
Accounts receivable	348,538	1,149,867
Due from affiliates	20,695	45,913
Prepaid expenses	14,430	10,834
Total current assets	<u>1,408,162</u>	<u>1,554,124</u>
<b>Property and equipment</b>		
Office automation equipment	4,843	3,317
Accumulated depreciation	<u>(3,317)</u>	<u>(2,211)</u>
Net property and equipment	1,526	1,106
 Total assets	 <u><u>\$ 1,409,688</u></u>	 <u><u>\$ 1,555,230</u></u>
 <b><u>Liabilities and Member's Equity</u></b>		
<b>Current liabilities</b>		
Accounts payable	\$ 5,505	\$ 17,066
Accrued liabilities	<u>402,000</u>	<u>421,000</u>
Total current liabilities	407,505	438,066
 <b>Member's Equity</b>	 1,002,183	 1,117,164
 Total liabilities and member's equity	 <u><u>\$ 1,409,688</u></u>	 <u><u>\$ 1,555,230</u></u>

See report of independent auditor and notes to financial statements.

**Park Sutton Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2012**  
**(See Report of Independent Auditor)**

**NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS**

Park Sutton Securities, LLC (the “Company”) is a registered broker-dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company is an independent New York based boutique investment bank which provides an array of financial services to the asset and wealth management industry. The Company received its FINRA approval for membership in 2010. The Company is exempt from Rule 15c3-3 of the SEC under paragraph (k)(2)(i) of that rule.

The Company’s sole member is Park Sutton Holdings, LLC (“PSH”). In addition to the Company, PSH is 100% owner of Park Sutton Advisors, LLC (“PSA”) and Park Sutton Services, LLC (“PSS”). Both of these companies share common management with the Company.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting** - The Company maintains its books and records on the accrual basis of accounting for financial reporting purposes, which is in accordance with U.S. generally accepted accounting principles and is required by the SEC and FINRA. The financial statements include only the assets and liabilities of the Company and are not combined with the related companies. Regulatory requirements require that the broker-dealer of securities be reported separately.

**Cash and equivalents** – For the purposes of the statement of cash flows, the Company considers cash in banks and all highly liquid debt instruments with maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

**Revenue recognition** – Revenues from investment banking services are recognized when the transaction is signed or the closing is imminent. Non-refundable retainers are recognized as revenue in accordance with the terms of the contract and are applied against transaction fees upon closing, if applicable.

**Use of accounting estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to the estimated amounts are recognized in the year in which such adjustments are determined.

**Accounts receivable** - Accounts receivables are carried at cost or have been written down to net realizable value. No allowance for uncollectable accounts is required at December 31, 2012. Management evaluates each receivable on a case-by-case basis for collectability and they write the receivable down to net realizable value.

**Property and equipment** - Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Asset lives are three years for office automation equipment. The Company follows the policy of capitalizing all major additions, renewals and betterments. Minor replacements, maintenance, and repairs are expensed currently.

**Advertising** – The Company policy is to expense advertising as incurred.

**Income taxes** – The Company is a limited liability company treated as a disregarded entity. Accordingly, in lieu of Federal and state income taxes, the member is taxed on their proportionate share of the Company’s taxable income. Therefore, no provision or liability for Federal or state taxes has been included in these financial statements.

**Park Sutton Securities, LLC**  
**Notes to Financial Statements**  
**December 31, 2012**  
**(See Report of Independent Auditor)**

The Company has adopted FASB Accounting Standards Codification 740 for accounting for uncertain tax positions. The standard prescribes how an entity should measure, recognize, present and disclose positions that it has taken or expects to take on its income tax returns. Park Sutton Holdings, LLC and the Company regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements and believes that in the event of an examination by taxing authorities, its positions would prevail based upon the technical merits of such positions. Therefore, the Company has concluded that no tax benefits or liabilities are required to be recognized. The Company's sole member's tax return remains subject to examination by the appropriate taxing jurisdiction for tax years ending after December 31, 2009.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company has advanced \$20,695 to its two sister companies. This is a non-interest bearing advance.

**NOTE 4 – CONCENTRATIONS**

The Company has several contracts with clients that generate more than 10% of total annual revenues, while there four clients that represents 69% of total revenue for 2012.

As of December 31, 2012 the Company's cash in bank exceeds federally insured limits by \$780,170.

**NOTE 5 – NET CAPITAL REQUIREMENT**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital; ratio would exceed 10 to 1. At December 31, 2012, the Company had net capital of \$616,994, which was \$589,827 in excess of its required net capital of \$27,167. The Company's ratio of indebtedness to net capital was 66.05%.

**NOTE 6 – SUBSEQUENT EVENTS**

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Company has evaluated subsequent events to the Statement of Financial Position date of December 31, 2012 through February 19, 2013, which is the date the financial statements were issued. Management has determined that there are no subsequent events that require disclosure.